

FAUQUIER BANKSHARES, INC.
Form DEFR14A
May 13, 2010

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. 1)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Fauquier Bankshares, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

Explanatory Note

The purpose of this amendment to the definitive proxy statement (Proxy Statement) of Fauquier Bankshares, Inc. (the Company), filed with the Securities and Exchange Commission on April 16, 2010, is to make certain corrections to the compensation information provided for Randy K. Ferrell and Eric P. Graap with respect to benefits under the Company's Supplemental Executive Retirement Plan (the Executive SERP).

For Mr. Ferrell, the corrections are: (a) to decrease by \$54,475 to \$139,896 the amount shown for 2009 in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column in the Summary Compensation Table on page 18 of the Proxy Statement, to decrease by \$54,475 to \$75,294 the change in value of the accumulated benefit under the Executive SERP from December 31, 2008 to December 31, 2009 indicated in footnote number 3 to such table, and to make a related adjustment to the amount shown for 2009 in the Total column in the table such that the amount is decreased by \$54,475 to \$571,443; (b) to decrease by \$54,475 to \$574,508 the present value of accumulated benefit under the Executive SERP as of December 31, 2009, as shown in the Pension Benefits Table on page 21 of the Proxy Statement; and (c) to increase by \$50,363 to \$70,601 the amounts shown in the table on page 27 of the Proxy Statement with respect to potential payments upon termination under the Executive SERP, and make related adjustments to the Total Value amounts in such table relating to those employment termination circumstances in which payments from the Executive SERP would contribute to Mr. Ferrell's potential total compensation.

For Mr. Graap, the corrections are: (a) to decrease by \$86,819 to \$69,732 the amount shown for 2009 in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column in the Summary Compensation Table on page 18 of the Proxy Statement, to decrease by \$86,819 to \$37,574 the change in value of the accumulated benefit under the Executive SERP from December 31, 2008 to December 31, 2009 indicated in footnote number 3 to such table, and to make a related adjustment to the amount shown for 2009 in the Total column in the table such that the amount is decreased by \$86,819 to \$321,742; (b) to decrease by \$86,819 to \$184,892 the present value of accumulated benefit under the Executive SERP as of December 31, 2009, as shown in the Pension Benefits Table on page 21 of the Proxy Statement; and (c) to increase by \$76,810 to \$109,921 the amounts shown in the table on page 28 of the Proxy Statement with respect to potential payments upon termination under the Executive SERP, and make related adjustments to the Total Value amounts in such table relating to those employment termination circumstances in which payments from the Executive SERP would contribute to Mr. Graap's potential total compensation.

The tables referenced above have been revised to reflect the corrected information and are presented on the following pages. The revised tables should be substituted for the corresponding tables appearing in the Proxy Statement.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) ¹	Non-Equity	Change in	All Other	Total (\$)
				Incentive Plan Compensation	Pension Value and Nonqualified Deferred Earnings (\$) ³		
Randy K. Ferrell <i>President & Chief Executive Officer</i>	2009	250,000	87,502	60,000	139,896	34,045 ⁴	571,443
	2008	250,000	69,561		281,685	35,271	636,517
	2007	235,645	66,751	77,292	151,279	36,923	567,890
Gregory D. Frederick <i>Former Chief Operating Officer⁵</i>	2009	132,500	2,686			152,442 ⁶	287,628
	2008	159,000	1,126		40,484	19,369	219,979
	2007	150,000		36,900	9,454	15,904	212,258
Eric P. Graap <i>Chief Financial Officer</i>	2009	166,000	41,508	29,880	69,732	14,622 ⁷	321,742
	2008	166,000	28,409		128,903	13,086	336,398
	2007	154,000	26,797	31,570	44,548	13,853	270,768

(footnotes 1, 2 and 4-7 in the Proxy Statement are unchanged; footnote 3 is revised in its entirety as set forth below)

- (3) The amounts in this column reflect the combined change in value of each NEO's accumulated benefit under the Pension Plan and the Executive SERP. Mr. Ferrell's change in accumulated benefit reflects a \$64,602 increase with respect to the Pension Plan and a \$75,294 increase with respect to the Executive SERP. Mr. Frederick's change in accumulated benefit reflects a \$21,978 decrease with respect to the Pension Plan and a \$27,960 decrease with respect to the Executive SERP. Mr. Graap's change in accumulated benefit reflects a \$32,158 increase with respect to the Pension Plan and a \$37,574 increase with respect to the Executive SERP. Because none of the NEOs had reached age 60 as of December 31, 2009, none are currently entitled to receive the amount of benefit reflected in the table for the Executive SERP because such amounts are not yet vested.

**Pension Benefits
Fiscal 2009**

Name	Plan Name	Number of Years Credited Service ¹ (#)	Present Value of Accumulated Benefit ² (\$)	Payments During Last Fiscal Year (\$)
Randy K. Ferrell	Pension Plan	15	411,076	
	Executive SERP	15.25	574,508	
Gregory D. Frederick	Pension Plan			
	Executive SERP			
Eric P. Graap	Pension Plan	9	166,454	
	Executive SERP	9.0833	184,892	

(footnotes to table in the Proxy Statement are unchanged)

Potential Payments Upon Termination or Change in Control

	Termination with no Change in Control					Termination with Change in Control				
	Death	Disability ¹	Termination by Company for Cause without or Cause of Resignation of Executive without Reason ²	Termination by Company for Cause without Reason ²	Change in Control with or without Termination ²	Death	Disability	Termination by Company for Cause without or Cause of Resignation of Executive without Reason ³	Termination by Company for Cause without Reason ³	Resignation of Executive for Other than Good Reason ³
Executive Benefits and Payments Upon Termination										
Andy K. Ferrell Chief Executive Officer Compensation:										
Base Salary	\$ 62,500					\$ 62,500	\$ 62,500			
Long-Term Incentive: Restricted Stock vesting	188,412	\$ 188,412	\$ 188,412	\$ 188,412	\$ 188,412					
Tax Liability due to vesting					60,292					
Benefits and Prerequisites:										
Life Insurance:										
Base Salary Continuation			500,000					\$ 926,900		
Current Year Prorated Bonus	60,000	60,000	60,000	60,000		60,000	60,000	60,000	\$ 60,000	
Bonus Continuation			60,000							
Health and Welfare Coverage			34,713 ⁴			52,070 ⁴	52,070 ⁴	52,070 ⁴		
Long-Term Disability Insurance		156	9,014				156	13,521		
Executive Split Dollar Insurance		⁵								
Executive Survivor Income	75,000					75,000				
Enhanced Retirement Program Benefits								156,512 ⁵		
Executive SERP						70,601	70,601	70,601		70,601
Total Value	\$385,912	\$248,568	\$852,139	\$248,412	\$248,704	\$320,171	\$245,327	\$1,279,604	\$130,601	\$130,601

(footnotes to table in Proxy Statement are unchanged)

	Termination with no Change in Control					Termination with Change in Control					
	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	Termination by Company for Cause without or Cause of Resignation of Executive without for Good	
Executive Benefits and Payments Upon Termination	Death	Disability ¹	Reason	Reason	Retirement	Change in Control with or without Termination ²	Death	Disability	Reason ³	Reason	Retirement
Eric P. Graap Chief Financial Officer Compensation:											
Annual Incentive	\$ 29,880	\$ 29,880	\$ 29,880		\$ 29,880		\$ 29,880	\$ 29,880			\$ 29,880
Long-Term Incentive:											
Restricted Stock Vesting	83,807	83,807	83,807		83,807	\$83,807					
Tax Liability due to Vesting											
Benefits and Perquisites:											
Severance:											
Base Salary Continuation Current Year									\$585,681		
Prorated Bonus Bonus Continuation									29,880		
Health and Welfare Coverage									57,135 ⁴		
Long-Term Disability Executive Survivor Income		113						113	7,129		
Enhanced Retirement Program Benefits	75,000						75,000				
Executive SERP							109,921	109,921	109,921		109,921
Total Value	\$188,687	\$113,800	\$113,687	\$113,687	\$83,807	\$214,801	\$139,914	\$872,059	\$139,801		

(footnotes to table in Proxy Statement are unchanged)